

**Mayor Ed Murray**  
**2016 Budget Address**  
**Monday, Sept. 28, 2015**

President Burgess, members of the City Council, and the people of Seattle...

As mayors of this great City have done annually for the last 45 years, today I stand before you to present my budget for 2016.

But this is not an ordinary budget speech because today is not an ordinary day in our city.

Last week we experienced a horrific tragedy that took the lives of five people and injured dozens more. It was one of the most difficult days to be mayor, and also one of the most moving.

Our hearts go out to the victims and to their families, and all of those who were affected by this tragedy. We are immensely proud of how all of Seattle came together to help in a time of crisis.

Local businesses reached out to help the families of victims. Residents donated blood, and the North Seattle College family was compassionate and responsive in a situation that was personally and logistically difficult.

City employees helped in any way they could – often when it wasn't their job.

And we had more than 90 first responders on the Aurora Bridge assisting injured passengers. What struck me on the bridge is that the scene was not chaotic. It spoke highly of our first responders' professionalism and heroism. Their response brought comfort to the wounded and helped save lives.

We have some of the first responders and City employees here with us today who were part of the City's response to this tragedy – please stand and be recognized.

Thank you.

This is the second budget of my administration, and it stays true to my pledge to make City Hall an active and vigorous partner with the people of Seattle.

This budget sets us on a path to build a sustainable city – but it means more than just being good stewards of our environment.

Building a sustainable city means managing growth, reducing poverty, and creating an enduring economy. It means increasing access to education and fostering neighborhoods that are livable, affordable and inclusive. Where streets are safe, and families of all backgrounds can breathe in the promise of our city.

This is the conversation that I want us to have today. It is about the future of our city, and it is a conversation that is happening around the globe. Just last week, the United Nations adopted worldwide sustainability goals that touch on many of the issues that we are addressing in Seattle.

## **BUDGET STRUCTURE**

To build a sustainable city, we must also build a sustainable budget.

We are experiencing a strong economy – and a construction boom – that has generated higher-than-expected revenue for next year.

But the revenue growth we see today cannot be sustained.

New construction now represents 25 percent of our sales tax revenues – the highest it has ever been. This construction cycle will end, just as all the others before it.

My budget recognizes this reality, making modest ongoing commitments, while focusing on one-time investments that will pay dividends into the future.

My budget also takes prudent steps to prepare us for the challenging financial times that we know will come.

It sets aside the highest level of reserves Seattle has ever had – more than \$106 million.

As we take a long-term view of the budget, we must also recognize the City faces structural financial constraints that have been imposed upon us.

- Property taxes, our most stable revenue stream, have been limited by state action. They are allowed to grow at only 1% per year, well below inflation.
- State revenues for local transportation have been reduced by ballot initiatives. Cities and towns have had to utilize their own limited resources to make up the difference.
- Federal support has declined. For affordable housing alone, it has been cut by nearly one-third over the last five years.

The impact of these constraints are real and significant. If property taxes had been allowed to keep up with just inflation, we would be collecting at least \$33 million more per year.

The short-term revenue growth from our strong economy is not sufficient to overcome these long-term structural constraints.

Instead, we have had to turn to Seattle voters on a nearly annual basis to support strategic investments in City services.

If we are to succeed in gaining voter approval for future funding, we must be more transparent, more accountable and more outcome-driven.

As I pointed out last year, we must reform our budgeting process.

First, there are numerous accounting systems across City departments that all track spending differently, making it difficult to link funding and outcomes.

This budget provides funding to implement a centralized accounting system, moving us away from our current jumble of systems, that will enable us to fully understand each department's base budget, and not just changes on the margin.

Last year I announced that we would develop metrics for City services. For the first time, this year's budget includes those metrics for four departments.

We will show the public what their dollars are buying.

This is a first step toward transitioning all departments to performance-based budgeting, in which resources will be allocated based on outcomes and results.

In partnership with the [What Works Cities](#) initiative funded by Bloomberg Philanthropies, we are working with data experts to develop a performance management approach. This will allow us to measure and improve the effectiveness of services provided to residents, and we will focus first on the Human Services Department to help advance the Outcome-based Framework the department has initiated.

At the same time that we reform our approach to operations, we will apply the same rigor to the management of capital projects. Our experience with the seawall demonstrates that we must do a better job at managing our capital costs. I look forward to the results of the independent assessment we are conducting together and the changes that will come from this review.

As we move to performance-based budgeting and measuring outcomes through metrics, we must make that information transparent to the public.

We have launched our first-ever citywide "dashboard" so residents can understand how well departments are achieving service goals.

Even as we gather, use and publish data, it is important to me that we protect the privacy of residents and their personal information. This budget creates a Chief Privacy Officer to implement a new groundbreaking program to protect residents' privacy and safeguard data.

This is a budget that reflects our values, and our commitment to deliver services efficiently. And as I said last year, a budget is an opportunity to show that government can be an incubator of change to improve the lives of the people of this City.

This is the last budget that I will work on with Councilmembers Rasmussen, Licata, Godden, and Okamoto. I would like to thank each of you for your hard work, your commitment, and your partnership in serving the people of Seattle.

## **GROWTH AND AFFORDABILITY**

Seattle is experiencing unprecedented growth – we have welcomed 70,000 more people and 63,000 new jobs over the last five years.

In the midst of this historic residential and business growth, Seattle seeks to continue to be a diverse, prosperous and equitable community where individuals and families can build good lives in vibrant neighborhoods and in a sustainable city.

This budget includes new revenues that reflects the voters' commitment to grow this city sustainably.

Parks District funding that will renovate our parks and community centers, including: new playground equipment, new turf on playfields, new parks from land-banked sites, and new programming for our community centers and the restoration of 100 acres of our greenbelts.

Voters also approved the largest expansion in bus service in this City since Metro was created. Before this expansion, 26% of residents lived within walking distance of a bus that comes every 12 minutes or less. Now it will be 72 %.

This budget continues funding for safety improvements on Rainier Avenue South, Lake City Way, 35<sup>th</sup> Avenue Southwest and Southwest Roxbury Street. We know these improvements make a difference.

Safe neighborhoods need to be walkable and accessible. But construction throughout our city has turned some of our streets and sidewalks into obstacle courses for drivers, bicyclists and pedestrians.

We will better manage this growth by adding 36 more inspectors to the Seattle Department of Transportation's Street Use division, paid for by increased developer fees.

The question that is not answered in this budget is whether voters will support continued funding for basic repairs to maintain our transportation system and expand the pedestrian, bike and transit infrastructure that we need to grow sustainably.

When the Bridging the Gap levy expires at the end of this year, we will lose roughly \$43 million annually from the City's transportation budget.

What we do know: Without renewed funding, Seattle residents will have fewer transportation options and the city will be more congested as we continue to grow.

Too often residential growth is disconnected from planning for transportation, open space, economic development and the need for schools.

To create vibrant neighborhoods that promote walkability, access to efficient public transit, parks and the cultural amenities that enrich urban life; I propose, and this budget reflects, a new integrated approach to planning how we grow.

The new Office of Planning and Community Development will place planners from transportation, parks, education, and the utilities, among others, next to each other, breaking down silos in government, and giving people a single point of contact to work on all their planning and development needs.

This, along with funding and new direction for the Department of Neighborhoods and the Office of Economic Development, will create a 21<sup>st</sup>-century approach to partnering with neighborhood residents and businesses in building even more vibrant communities.

This budget funds a new “Mobile City Service Center” – a City Hall on wheels that we will send out to neighborhoods throughout the city. It will provide more convenient access to City staff and services, and serve as a place to learn about and sign up for City programs.

This is one of the new ways the Department of Neighborhoods will engage with residents, and broaden access for participation.

As we grow, our neighborhoods are losing a key aspect of their character: affordability.

A booming regional housing market, fewer and fewer federal and state housing funds, and the widening income inequality gap locally, nationally and globally, have created and will likely sustain a housing affordability crisis unlike any Seattle has seen since the end of the Second World War.

Housing costs are rising faster than incomes, which threatens our aspirations to be a sustainable city.

When those who work here are forced to live outside the city, they spend significant amounts of their limited income and time on transportation and away from their families.

The dire impacts are not only on individual lives, but also on the region, with more traffic congestion, increased environmental degradation, and fragmented communities.

We see this problem across the nation – a new report from Zillow states that “nationally, renters are spending more income on rent than they have at any point in the past 30 years.”

The Housing Affordability and Livability Advisory committee points to the challenge that we face. To quote:

“...one of the fundamental reasons the problem of housing affordability and livability is so daunting, and why previous similar efforts have failed: the politics of the issue appear to be almost intractable. The multiple interests gathered around the HALA table seem at times fundamentally opposed to each other....each interest group is politically powerful enough to

block any single-sided proposal.” In short, they said “the crisis of housing affordability in Seattle is a true Gordian Knot.”

Those same interests around that table found common cause and through collaboration cut that knot.

The committee offered a plan to preserve, restore and expand the affordable character of our neighborhoods through the preservation of existing affordable homes, increasing the housing levy, and requiring for the first time that when new developments happen, they must include affordable housing.

This budget reflects our shared commitment to create one of the most effective, affordable housing initiatives in the nation.

Taken together, the over 60 recommendations offer us a way forward on affordable housing, for the homeless, for those struggling economically, and those seeking market-rate housing.

As a result of those proposals, this City is now engaged in an important discussion about housing affordability.

As part of that conversation, we can engage in a constructive dialogue that acknowledges the historic intersection of race and class in our housing market.

This is a national crisis, but we are finding a Seattle solution.

And we must act, and we must succeed.

## **YOUTH**

As I mentioned earlier, we are in the midst of an economic boom with citywide unemployment of just 3.5%. But young people in this city are experiencing an unemployment rate of 13%. For young people of color, that number is 28%.

We took a significant step last summer in changing those dismal numbers by increasing the City’s Youth Employment Initiative to 2,000 positions.

I would like to welcome the young men and women in this room who participated in that program.

I would like to thank each of you for taking this opportunity to gain new skills that will help you in your academic work, in jumpstarting your careers, and in contributing to your community.

I also hope that whether you worked for a City department, or one of our local companies or nonprofits, that you found this experience to be valuable and fulfilling.

This budget reflects my commitment to grow the number of job opportunities for young people so that the experience you had becomes the rule rather than the exception.

In addition, I would like to thank the City departments who answered this challenge and the private-sector employers who stepped forward.

I am pleased that JP Morgan Chase contributed a \$500,000 grant to grow job opportunities available for our youth.

We know youth employment can make a positive impact. Your stories are proof of that.

Raequan Kea, this program provided you an opportunity that you turned into a full-time job at Swedish Medical Center. I heard that on the third day of your internship, you asked your supervisor what it would take to get a job there. You showed ambition, went the extra mile – and now you start this week as a full-time employee. Congratulations, and well done.

Jamila Kadir, I understand you were a few credits behind in school when you first connected with the City's youth employment program. This program provided you with an opportunity to complete your education, earn your certification as a Nursing Assistant, and to intern at the Center for Infectious Disease Research in South Lake Union. Congratulations as well.

I invite the two you and all of this year's participants to please stand and be recognized.

The global crisis of growing income inequality and long-standing issues of racial inequity are also challenges that you and other young people throughout this city face as you enter the job market.

We know racial disparities persist in many areas, having been built upon decades of institutional bias. These disparities are real, and our communities of color bear these burdens daily.

We are working hard to change this.

This month, Seattle's preschool program opened its doors for our first students. This is an important step in closing the opportunity gap for children of color that has been immovable for more than a generation.

And, through a grant from [Bloomberg Philanthropies](#), we were given an opportunity to create an Innovation Team to develop and examine new strategies for some of our most difficult challenges. I decided that its first project will be to examine how we can improve outcomes for young Black men, particularly in the areas of education, employment and justice.

As I said on the night of the Ferguson decision, we as a society are failing young African Americans, particularly men. But this city is listening to you, and it cares about you. And we must do better.

## **IMMIGRANT AND REFUGEES**

In the last few weeks, jarring images from the Middle East and Europe have focused our attention on the pain and anguish of one of the largest human displacements in almost a century.

Across the world, governments are struggling with how to respond.

In Seattle, we realize that by opening our doors, not building walls, we are a stronger city.

This budget continues and strengthens Seattle's commitment to do our part and help our immigrant communities not just survive, but thrive.

Last year my budget dramatically increased the resources and role of the Office of Immigrant and Refugee Affairs.

Last year we started our Ready to Work program that provides critical job and English language skills to help immigrants succeed. This year we continue funding for that program.

We also will launch a new initiative – the Immigrant Family Institute – to help establish community trust by pairing young immigrant men and their families with mentors from the Seattle Police Department. This builds on our incredible success from a similar program that connected immigrant women with women from the Police Department.

We also will launch the “Seattle Votes” campaign to increase civic engagement and voting among immigrant communities. And we will expand our New Citizenship Program to support residents who are eligible to become citizens.

Research shows that naturalized citizens earn more than their non-citizen counterparts, and are less likely to be unemployed.

These investments in our immigrant and refugee communities help build a sustainable future, as these new Seattleites and their families contribute to our economy and enrich the cultural life of this city.

## **SERVICES FOR THOSE IN NEED**

On our streets and sidewalks, we also see the pain and anguish from those who lost jobs that never returned as the result of the Great Recession. And those who suffer from addiction, mental illness, have exited the foster care system, or are victims of domestic violence.

Homelessness is a crisis across this nation. In cities up and down the West Coast, from Seattle to San Diego, from small towns to rural areas, the growing number of people with nowhere to sleep but our streets is agonizing and weighs on me every day.

The reasons are many, including: Dramatic cuts at the state and federal level for mental health and chemical dependency services, a decline in federal support for affordable housing, and the persistent issue of income inequality.



Seattle spends more than \$40 million per year to end homelessness. As a region, our generosity is only surpassed by New York and Los Angeles. Yet, the problem only grows worse. In the most recent one-night count, there were 2,800 people without shelter in our city – a number that has risen dramatically in the last few years.

Last year, when Councilmember Okamoto was Human Services Director, I asked for – and he produced – a Homelessness Investment Analysis that evaluated our current spending; compared national best practices; and made recommendations on how to better serve those living without shelter.

In addition, I convened an emergency task force on the immediate crisis of unsheltered homelessness.

The recommendations from each of these efforts are reflected in my 2016 budget.

For the first time, this City will authorize and financially support encampments on City-owned property.

This is not a solution to homelessness, but it provides a safe, short-term alternative to the streets and a way to connect people with services.

I understand the frustration and disappointment with homeless services being located in some of our neighborhoods. But we have no alternative – in unsanctioned camps, people have been murdered. People have been raped. People have fallen to their death on the freeway.

As a city, we must not conflate criminal behavior with those who are desperately homeless. Or forget that there are families and children with no other choice.

In addition to authorized encampments, we are opening a new year-round shelter on City-owned property in Uptown. That follows the new Mary's Place shelter for families that we opened this year on City-owned property in North Seattle.

And we are expanding the number of shelter beds for homeless youth on Capitol Hill.

Today, I am announcing that we are providing funding for new 24-hour shelter services, which is an innovative strategy to give people a place to stay during the day and to store their belongings.

As a result of the Homelessness Investment Analysis, we will begin streamlining human services contracting.

Today, five of our key service providers must navigate nearly 50 separate contracts with this City. If an agency wants to provide shelter, job counseling, and a warm meal, it has to enter into three different contracts and deal with three layers of bureaucracy.

This does not work for the agencies, or the people we are trying to help.

With this budget, we will launch a new “portfolio” model in which one contract covers a range of services. This will allow an agency to focus on individual outcomes instead of managing multiple contracts.

Even with these investments and new ways of contracting, we still need to know whether the services we provide are creating better outcomes for people who are homeless.

Through our partnership with What Works Cities, we will use data, measure outcomes, and determine the effectiveness of these new approaches.

Taken together, this is how we can make the best use of our limited local resources. But we cannot do this alone.

I am encouraged by the discussions that our fellow suburban cities about partnering with us on the issue of homelessness.

In November, I will join West Coast mayors in Portland for a summit that will include discussions on this issue. Cities can be innovators in our effort to end this crisis, but this problem will not be solved without the return of a vigorous federal agenda on homelessness and housing.

## **PUBLIC SAFETY**

This budget reflects the priority of public safety and police reform, and our commitment to get both of them right.

As we saw last week, the men and women of the Seattle Police Department work hard to keep us safe. The vast majority are committed to reforming the department, and creating a national model of urban policing.

Today, we see the results of that effort:

- City-wide crime is down by 11%
- Property crime is down by 12%
- And overall crime in the South Precinct is down by an astounding 25%.

This is a result of the leadership of Chief O’Toole and the data-driven strategies that she is implementing, such as SEASTAT, to identify crime trends and develop strategic responses to bringing crime down.

In Downtown and the University District, the Department worked with county and federal law enforcement partners, as well as human service providers and the community to address long-standing open-air drug markets that contribute to other crimes.

The result has been a three-fold increase in proactive policing and a 25% decrease in calls for service. This summer, I heard from business owners, families, tourists, and homeless people about the dramatic change in our city center, particularly in Westlake Park.

This is a model that we can take to other neighborhoods.

But like every major city, we face challenges. This year, Seattle experienced an increase in the number of gunshots fired on our streets.

In response, the Police Department teamed with local and federal partners to create a Gun Crimes Task Force.

So far, the task force has taken 600 guns out of the hands of criminals, more than in any other year. These efforts are saving lives.

But this is a small fix to a much larger problem of gun violence in this nation.

We must continue to address the underlying issues such as poverty and lack of opportunity, as we have done with our investments in youth jobs and universal pre-K.

And we must continue our public health approach to dealing with this as an epidemic. This budget funds a new partnership with Harborview to focus on intervention services for those most at risk of gun violence.

This budget also includes funding to hire 30 more officers next year, keeping us on track with my promise to add 100 officers by the end of my term.

Many of these new officers will be part of the truly proactive community policing that we are developing.

This budget reflects my commitment to work with our federal partners in reforming the Seattle Police Department by fulfilling the requirements of the federal consent decree.

The reform process has not been easy, and it has not been cheap.

But it will get done.

When U.S. Attorney General Loretta Lynch was in Seattle last week, she highlighted our progress so far, and said Seattle has become a national model for police reform.

Also, last week, the federal monitor announced that the Police Department passed three of the first assessments under the federal consent decree.

The Police Department has undergone a dramatic transformation by overhauling its policies, training, and accountability systems.

For example, we have trained all officers on how to defuse encounters with people in crisis, and link them with mental health services as an alternative to incarceration. This has led to

dramatically different outcomes: We see fewer uses of force, fewer arrests, and more referrals for service.

We know this because for the first time ever, we are tracking the data that shows how many people we are contacting and how many we are helping.

This budget also funds a new Data Analytics Platform that allows police supervisors to easily track and analyze performance and personnel data in real-time.

Today, I am announcing that in addition to a Justice Department grant, this budget includes funding to equip every patrol officer with a body worn camera.

We know that body cameras improve interactions between officers and the public and reduce the likelihood that force will be used. But I want to make clear: We will work carefully to get this right and adequately address privacy concerns.

I'd like to thank Councilmember Bruce Harrell for his leadership on this issue.

In Seattle, we rely heavily on our Fire Department for a host of critical emergency services. To meet that growing demand, my budget adds 35 recruits to next year's training class for a total of 60.

Six months ago, I appointed Harold Scoggins as the Chief of the Seattle Fire Department. He is already making a difference.

Chief Scoggins is committed to increasing diversity within the ranks, in particular African Americans, women and LGBTQ firefighters – so that fire crews more closely reflect the diversity of the city they serve. Under my budget, the Department will now pay for EMT certification as part of its training rather than require recruits to pay for it themselves, which has been a historic barrier to entry for many.

Chief Scoggins also is developing smarter ways to deliver emergency services. The Chief identified that 25 percent of 9-1-1 calls, or roughly 23,000 per year, turn out to be non-emergencies. This is costly and ineffective. My budget implements a new program to reduce that number, saving the city money and ensuring first-responders are available for emergencies.

This summer, Washington experienced the worst fire season in state history that resulted in the deaths of three Forest Service firefighters. We are joined today by Seattle firefighters who were deployed to Central and Eastern Washington to help fight those fires and assist crews in dealing with the loss of their colleagues.

This summer and the events of last week have shown us your courage in protecting the lives of others. Please stand and be recognized.

## **EQUITY AND ENVIRONMENT**

Environmental sustainability is another area where cities are laboratories for testing new ideas that serve as models for our nation.

Earlier this year, I met a delegation from the Chinese City of Shenzhen and we signed an accord pledging our shared commitment to environmental sustainability and reducing carbon emissions.

This summer, I joined mayors from around the world at the Vatican, where we committed to take collective action to address climate change – and its disproportionate impact on the poor.

Until recently, there has been a disconnect between organizations focused on the environment and low-income communities. Pope Francis is leading a new understanding of climate change and how it disproportionately affects the poor.

In Seattle, our lowest income neighborhoods are the most severely affected by degradation of our environment, and are too often left out of environmental benefits of this city – whether it means access to parks and open space, clean air or healthy foods.

My budget will expand Seattle’s Equity and Environment Initiative, which I launched last year, to develop community-based solutions and identify the programs and policies needed to address these disparities.

## **SUSTAINABLE JOBS AND SHARED PROSPERITY**

A sustainable city means creating a sustainable economy in which prosperity is shared by all.

Last year when this Council passed our historic minimum wage law, we created a new Office of Labor Standards to make sure our employees and our local businesses know their rights and responsibilities as the law takes effect.

On-the-ground assistance is critical for successful implementation of this law. My budget funds new staff to handle investigations, a business liaison, and new community grants to help workers and businesses understand the law, with a particular focus on immigrant- and minority-owned small businesses.

This budget also funds implementation of our new Priority Hire law, which guarantees that our construction boom creates family-wage jobs for workers from neighborhoods with high unemployment and poverty in this city.

Our first Priority Hire is Amilia Leone, who lives in the Central Area. Amilia, who is in her second year as a carpenter apprentice, was hired in July by J.W. Fowler on a seismic retrofit of an underground reservoir.

More broadly, in our effort to support gender equity in the City’s workforce, this budget includes funding for a labor economist to work with our Department of Human Resources on this important issue.

To foster a sustainable economy, City government must be able to serve all businesses, whether it is the local Pho shop or the homegrown globally-recognized company.

As I have said previously, this City has not had a coherent economic development strategy. My budget directs the Office of Economic Development to form a team focused on building strategic partnerships with our key industry sectors. As our next step, this budget calls for OED to gather and analyze the data needed to understand the latest trends in our fastest-growing sectors, so that we can keep our economy strong through the ups and downs, keeping residents working and businesses healthy.

As we saw from last week's visit by President Xi, there are global investors who want to be a part of Seattle's innovation economy. New investments in our city keep companies strong and grow jobs. But investors won't always come to us. And we know that we are in competition with other cities.

This budget includes a new program to make Seattle more competitive in the global market for foreign direct investment.

This budget continues my commitment to help small business owners, including immigrant- and minority-owned businesses, by funding dedicated staff who are available day and night to provide technical assistance and help navigate the City's bureaucracy.

## **CONCLUSION**

While I have highlighted some of our newest initiatives and strategies, this budget also reflects the basic responsibilities of government that people most depend on.

That is to keep the lights on; to keep the water running; to keep us safe; and to keep our streets maintained.

And let's remember that local government is about more than just line items. It is the 11,000 men and women who keep this city running – who repair power lines, who support our most needy, who lead afterschool programs, or find new homes for stray animals.

I would like thank all of our City employees for the hard work they do every day.

Our ability to deliver basic services is essential to achieving our larger vision: a Seattle that is diverse, prosperous and equitable – where individuals and families can build good lives. Where they can live in vibrant communities in a sustainable city.

This is my commitment to the people of Seattle, and this budget reflects that commitment.